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Copy 4 or 5

5 October 1955

Dear Kelly:

Enclosed is the Definitive Contract No. SCC-55 to replace Letter Contract No. SCC-55, executed by your company on 15 June 1955. Such Definitive Contract incorporates suggestions made by you and by Bob with reference to contract language.

You will note that the Definitive Contract has been funded for the same amount stated in the Letters Contract, and this includes a contingency of some \$74,000 over and above your estimated price. Also your estimated price is based on the training of some 23 flight service crews, which number appears at this time to be the maximum number of such crews to be needed during the contract period. However, in view of the nature of the work to be performed under the contract and the lack of precise cost experience in connection with such work, and in keeping with the predetermined price type contract used as the contractual mechanism in this procurement, the contingency amount is considered reasonable and proper.

Notwithstanding the stated scope of work in the contract proper defining the number of crews to be trained and the agreed upon schedule for training such crews, it is the desire of the customer to be kept informed from time-to-time of the status of implementation of such crew training schedule to the end that, if necessary, such training schedule can be modified to more closely conform to the scheduled need for those trained crews or, if necessary, the number of crews to be trained may be increased or decreased depending on the general progress of the entire program during the next several months. Such revisions of the work to be performed can be handled administratively by letter, or by contract amendment, depending on whether a simple compression or extension of the training schedule is involved or whether a major change in numbers of crews is required.

If the contract is acceptable to you please have the original and two copies executed by an authorized representative of your company and returned to the undersigned. Should any changes be in order, it is requested you make such changes and have the authorized representative initial each change on all copies. After receipt of the executed copies and signature thereof by the Contracting Officer a copy of the completely executed contract will be returned to you for your files.

Very truly yours,

Distribution:

Orig. - Kelly Johnson

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4 - Chrono J 80130130

5 - Ready

George

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